

**12 OCTOBER 2000**



**Command Policy**

**PRODUCT SUPPORT MISSION AREA (PSMA)  
INFRASTRUCTURE MANAGEMENT**

**COMPLIANCE WITH THIS PUBLICATION IS MANDATORY**

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This instruction implements AFMC Policy Directive (PD) 90-9, *Product Support Mission Area (PSMA) Management Framework*. It documents the key processes and activities performed as part of the Infrastructure Management business line. This instruction does not apply to the Air National Guard or US Air Force Reserve units and members.

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**Attachment 1— ACRONYMS**

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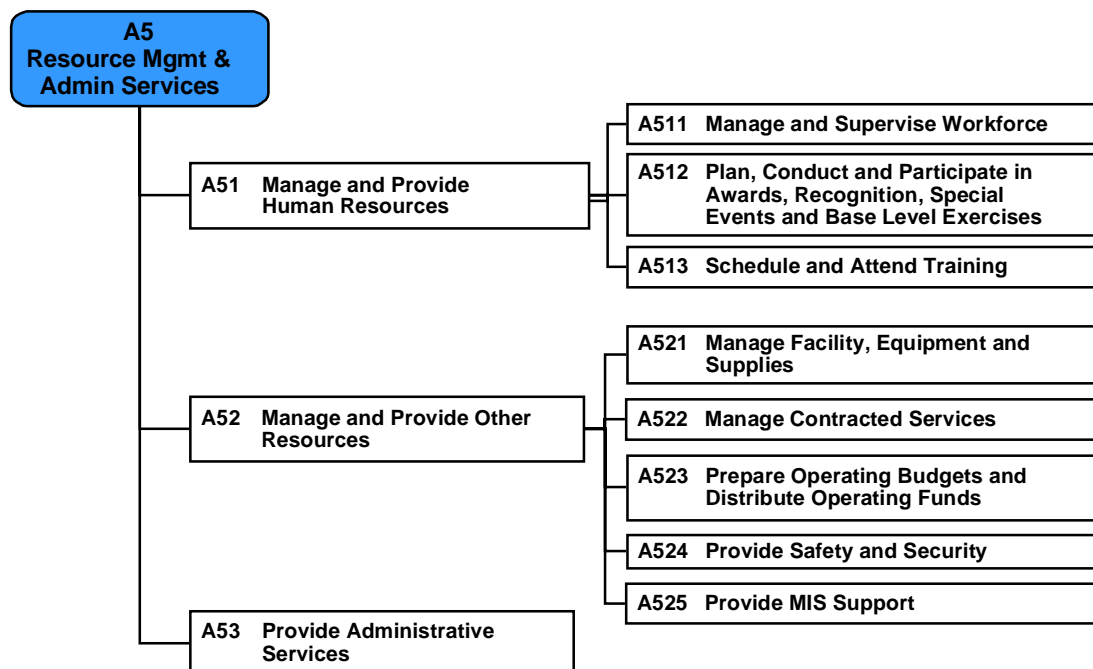
**Attachment 2— DEFINITIONS**

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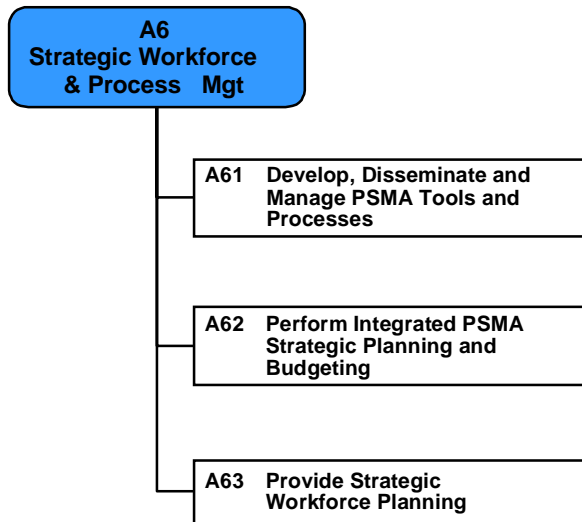
**1. Business Line Overview.** Infrastructure Management is one of two business lines that comprise the PSMA, the other being Product Management. Infrastructure Management focuses on the management and continual improvement of the people, processes, and infrastructure employed by AFMC to acquire and manage Air Force warfighting systems. Included are activities such as maintaining and improving consistent contracting processes, running the center acquisition support teams, submitting the PSMA Program Objective Memorandum (POM), and developing standardized training requirements. Resource Management and Administrative Services and Strategic Workforce and Process Management make up this business line and provide the top level architecture that all the activities described below fit under. This instruction will evolve as these activities mature and become better defined.

1.1. Resource Management and Administrative Services. Figure 1 shows the activities that comprise Resource Management and Administrative Services. This is the work necessary to manage an organization. Included are activities such as directly supervising and evaluating individual performance; organizing and evaluating organizational performance; recognizing and rewarding performance; providing organizational supplies and equipment; and planning and accomplishing special events. Not included is mission area strategic workforce planning activities described in A63.

**Figure 1. Resource Management and Administrative Services Activities.**



1.2. Strategic Workforce and Process Management. Figure 2 shows activities that comprise Strategic Workforce and Process Management. These activities align PSMA resources with strategic goals and objectives to support customers. They also include the work of the PSMA Chief Operating Officer (COO) and staff. Included are activities to improve processes, conduct strategic planning and budgeting, and provide strategic workforce planning.

**Figure 2. Strategic Workforce and Process Management Activities.**

## 2. PSMA Direction And Management.

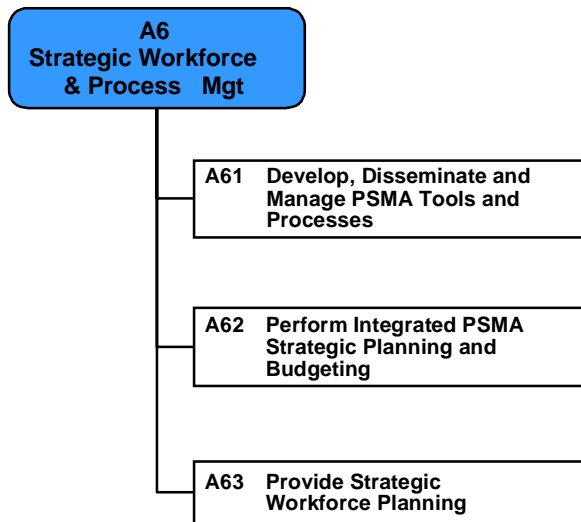
2.1. COO. Direction, implementation, and reporting of PSMA activities are the responsibility of the PSMA COO, HQ AFMC/DR. Additionally, each Center has a COO that is responsible for the direction, implementation and reporting of their center's mission area activities. The PSMA COO chairs the Product Support Executive Board (PSEB) which is the decision-making body responsible for the overall direction and management of the PSMA. The PSMA COO is the final decision-maker for all issues brought before the PSEB for resolution. The PSMA COO also develops the annual Business Area Plan (BAP) which is used to facilitate the transition from the strategic planning process and programming done for the POM to the budgeting portion of the PPBS. The BAP takes the POM and identifies execution year costs of providing products and services that meet our customer's requirements and creates a plan for allocating anticipated resources. Finally, mission area performance is reported to AFMC/CC through Quarterly Execution and Combined Reviews.

### 2.2. PSEB.

2.2.1. Mission. The PSEB is the decision-making body responsible for overall direction and management of the PSMA, including organization, training, and resource allocation. To accomplish this, the PSEB will: set PSMA goals, monitor PSMA performance, manage PSMA resources, make recommendations for the training of PSMA personnel, and develop/implement/disseminate policy, processes, and tools to accomplish all of the above. The PSEB will reallocate manpower among centers as required to accommodate assignment of new missions or management workloads. Please visit the PSEB web site at <https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/DR/dre-home/pseb/index.htm>.

2.2.2. Objectives. The objectives of the PSEB are to:

2.2.2.1. Identify and disseminate best practices and encourage their use throughout the PSMA.

**Figure 3. Strategic Workforce and Process Management Activities.**

2.2.2.2. Identify and resolve any impediments to PSMA business practices to ensure the smooth and timely generation of the PSMA POM and the PSMA financial plan.

2.2.2.3. Implement an Activity-Based Management process to promote cost awareness and cost reduction.

2.2.2.4. Advocate shared/common requirements (nonweapon system specific areas).

2.2.2.5. Establish priority and rationale for the funding of Product Group Managers (PGM)/ System Program Director (SPD) program management administration including 78070 funds and 72806 funds.

2.2.2.6. Oversee the development of the PSMA strategic and business plans.

2.2.2.7. Monitor the performance of the PSMA through the use of Business Performance Indicators (BPI) and take action to correct any problems.

2.2.2.8. Identify and resolve policy issues impeding PSMA effectiveness or efficiency.

2.2.2.9. Ensure a properly balanced workforce is in place to manage the mission area in the 21st century.

2.2.2.10. Review and resolve any PSMA issues identified by the single managers, designated acquisition commanders (DAC), program executive officers (PEO), and major commands.

2.2.3. Membership. There are two categories of PSEB members: primary members, and associate members. Primary members are the key-decision makers for the PSMA and will have voting authority for all decisions made at PSEB meetings. Associate members are the suppliers and customers of the PSMA who are directly or indirectly involved with the PSMA. Their opinions are valued, but they do not have voting rights.

2.2.3.1. Primary Members. Primary PSEB membership consists of: HQ AFMC/DR (chair), ten center PSMA COOs (AAC, AFSAC, ASC, ESC, OC-ALC, OO-ALC, SA-ALC,

SM-ALC, SMC, and WR-ALC), a SAF/AQ representative, a HQ USAF/IL representative, an AFPEO representative, an SPD representative, and a PGM representative. The office assigned to hold the position of center COOs differs based on each center's preferences. Appointed PEO, SPD, PGM representatives are picked to provide insight into their office from their unique viewpoint.

2.2.3.2. Associate Members. Associate PSEB membership consists of: HQ AFMC/CE, DO, DP, EN, FM, IG, JA, LG, PK, SC, SE, SF, XP; an AFRL representative; the Air Force Chair at DSMC, and the HQ AFMC/DR Division Chiefs.

#### 2.2.4. Roles and Responsibilities.

2.2.4.1. The PSMA COO (HQ AFMC/DR) will chair all meetings. The COO will be the final decision-maker for all issues brought to the PSEB for resolution.

2.2.4.2. The PSMA COO may formally request the attendance of the product center, air logistics center, or AFSAC commanders on an "as-needed" basis. Under normal circumstances, the center PSMA COO is expected to retain the role as the center's representative in the PSEB decision making process unless the center commander (chief executive officer [CEO]) is acting as the designated representative for the center.

2.2.4.3. Primary members will be appointed by product center, air logistics center, and AFSAC commanders and will attend meetings and represent their center/unit. Each primary member will actively participate in the PSEB decision making process. If a substitute represents the primary member, they must have the authority to act on any PSEB decision. Primary members will assign a center/unit Product Support Focal Point (PSFP) as an interface at the working level to support taskings and coordinate activities from the PSEB.

2.2.4.4. Associate members receive meeting announcements, minutes, and decision packages. They are encouraged to attend and participate fully in all proceedings except when the chairman limits attendance. Associate members are encouraged to make inputs during meetings, but do not have voting rights during the decision-making process. HQ AFMC two-letter directorates who are associate members will also assign a PSFP to interface at the working level.

2.2.4.5. The PSEB Secretariat (HQ AFMC/DR) will:

- Schedule PSEB meetings, issue a call for topics, and develop agendas and disseminate them well in advance of the meeting.
- Post read-ahead packages to the worldwide web for PSEB members to review.
- Record the deliberations, recommendations, and decisions of the board. Publish the minutes and posts them to the worldwide web within 3 weeks of the board meeting.
- Monitor the implementation of board decisions and provide status as required.
- Update the PSEB charter on a yearly basis.
- Administer the PSEB decision-making process.
- Assign, track, and report status of PSEB action items.

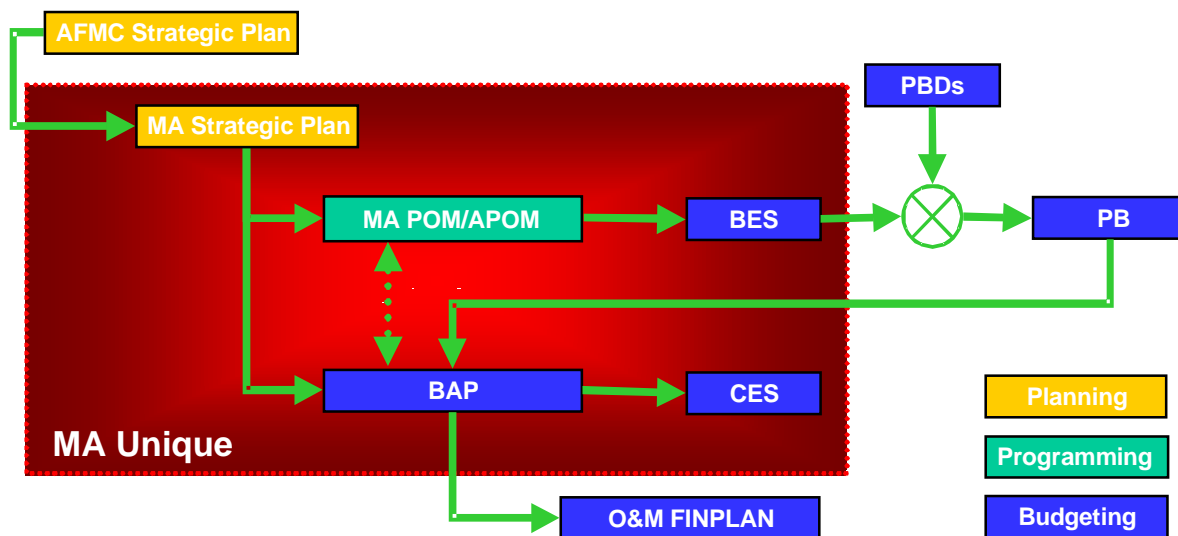
2.2.4.6. The Product Support Focal Points (PSFP) will:

- Serve as the principal PSMA point of contact for receiving and monitoring the status of HQ AFMC/DR directed taskers and action items.

- Act as the center/organization's focal point for all PSEB actions and activities.
- Consolidate agenda topic call responses.
- Prepare read-ahead material for their member.
- Provide an interface between the PSEB and their organization for strategic planning activities.

**3. Planning, Programming, And Budgeting.** Resource management is one of the most important and most challenging ongoing tasks confronting the PSMA. Currently, the PSMA manages over 250 program elements which contain over 20,000 manpower authorizations and over \$18B dollars of Air Force funds, spread across four product centers, five air logistics centers, two test centers and AFSAC. As the resource focal point and secretariat for the PSMA, HQ AFMC/DR is responsible for maintaining tools and procedures to manage PSMA-assigned resources.

**Figure 4. Planning, Programing and Budgeting System (PPBS).**



3.1. Mission Area Strategic Plan (MASP). The Air Force Mission, Vision, Core Competencies, Goals, and Mission Essential Tasks (MET) remain the foundation for strategic planning. MASPs focus on specific mission area strategic objectives and METs that enable the realization of these fundamental foundation blocks. Combined with the AFMC Strategic Plan the MASPs show a direct relationship to the Air Force vision of Global Engagement. Please visit the strategic plan web site at <https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/XP/xpx/strat.htm>.

3.1.1. This section establishes minimum requirements for the development of MASPs. As Future-Years Defense Plan (FYDP) time-based plans, MASPs are an integral part of the AFMC Strategic Plan and are designed to develop, document and deploy Command/Mission Area planning guidance/direction to all areas of the command as related to a specific mission area (MA). In

support of deploying the MASPs, annual BAPs are used to manage the short-term goals and objectives that are designed to achieve the MASPs.

3.1.2. The MASP defines the PSMA's mission, customers, products and services and analyzes the most probable future of these during the current FYDP. Given this prediction, the MASP fully describes the METs and the mission area strategic objectives designed to support the AFMC METs, the AFMC strategic objectives, the National Performance Review (NPR) goals and other mission area specified higher-level plans (DoD Logistics Strategic Plan, SAF/AQ Life Cycle Cost Reduction Action Plan, etc.).

3.1.3. Each mission area strategic objective description outlines the specific details of the objective to include the objective achievement strategy, the required resources needed to achieve the objective, the OPRs, the performance measure indicators, a milestone schedule and the exit criteria used to indicate when the objective has been met. In general, the MASP should include sufficient detail to be an effective driver of action and projector of vision, however, avoiding detail to the extent that it discourages practical use.

3.1.4. Required Contents. AFMC Mission Area Strategic Plans are organized into six sections as follows:

- Section A: Overview.
- Section B: Planning Environment.
- Section C: Most Probable Future.
- Section D: Mission Essential Tasks.
- Section E: Strategic Objectives Action Plan.
- Section F: Other Supporting Plans (optional-as appropriate).

3.1.4.1. Section A: Overview. This section gives a detailed introduction of the mission areas and an overall summary of the strategic plan. As a minimum the overview will provide the PSMA's mission statement, clearly define the primary customers, and describe the products and services that the mission area provides to those customers. This description should include details on mission area resources such as facilities, budgets, and manpower. In addition, a summary discussion of the plan's objectives and goals, the general strategy to achieve them and how they relate to the AFMC and Air Force strategic goals and objectives should be included.

3.1.4.2. Section B: Planning Environment. This section highlights the major internal and external factors affecting the mission area planning environment. It focuses in on the specific external threats and opportunities the mission area faces and discusses the impact that the internal mission area strengths and weaknesses have in addressing those external issues.

3.1.4.3. Section C: Most Probable Future. This section essentially takes the detailed mission area introduction and projects it out to the end of the FYDP. This section must define the desired, but also realistic, future of the mission area – the desired End State upon which to construct a strategic plan. This discussion should address the categories of money, people, capital structure, customers, products/services, business management and any impacting issues that affect the strategic outlook. Mission Areas developed an updated "most probable future/2005 end state" in support of the 2005 Workforce IPT that may be useful in updating this section.



3.1.4.4. Section D: Mission Essential Tasks. This section lists the mission essential tasks for which the mission area is either the OPR or OCR as defined in the AFMC Mission Essential Task List (METL) approved by AFMC/CC. The current AFMC METL is at: <https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/XP/xpx/strat.htm>.

3.1.4.5. Section E: Strategic Objectives Action Plan. This section is the heart of the MASP. It provides a detailed outline of each mission area strategic objective. These objectives are categorized in subsections according to the AFMC strategic objective they are supporting. There should be an overall discussion opening the section that describes in general the objectives and how they link to the AFMC, Air Force and other mission area specified higher-level plan objectives.

3.1.4.6. Section F: Other Supporting Plans (optional-as appropriate). This section can be used to elaborate on other higher-level and internal plans that are supported by this strategic plan or for which this strategic plan receives support. Annexes may be used to include these plans if needed. Any discussion should clearly focus on the link to the MASP and its impact to the mission area end state.

3.1.5. The MASP translates the broad direction of the command strategic objectives into specific mission area objectives and action plans. The MASP clearly communicates the mission area future direction to all areas of the command and are the basis for supporting center and functional organization plans.

3.2. Business Area Plan (BAP). The purpose of the BAP is to facilitate the transition from the strategic planning process and programming done for the POM to the budgeting portion (e.g., Budget Estimate Submission and President's Budget) of the Planning, Programming and Budgeting System (PPBS). The BAP is the vehicle used by the HQ COOs to take the POM and begin to identify the execution year costs of providing our products and services at levels that meet our customers' Standard and Minimum requirements, and to create a plan for allocating our anticipated resources (inputs) in a way that maximizes performance. Please visit the BAP web site at <https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/FM/fma/fmab>.

3.2.1. HQ AFMC Mission Area COOs annually create FY BAPs with support and information provided by the centers and other AFMC components. This information is gathered through an annual Requirements Call issued to the centers. Each HQ COO produces a BAP based on the information gathered in the Requirements Call and prepares the FINPLAN submission to reflect the funding and performance documented in the BAP. The Mission Areas will publish their final BAPs NLT 30 September of each fiscal year. Each Center Chief Executive Officer (CEO) builds a Center Execution Strategy (CES) NLT 15 November of each fiscal year, that converts the BAP to a monthly execution strategy. Centers CEOs may reallocate resources between mission areas when building their CES, but they are held accountable to the performance standards established by the BAP BPIs.

3.2.2. After each fiscal quarter, the Center CEOs will brief the AFMC CEO on their center's actual performance compared to their CES and the BAP during a Quarterly Execution Review (QER). Approximately two weeks after the QER, each HQ AFMC COO will brief the consolidated performance of the mission area to the AFMC CEO during a Quarterly Business Area Roll-Up (QBAR). It is important to note the FINPLAN, the BAP and the CES are interrelated, and the common information in each should crosscheck to the other documents.

3.2.3. Required Contents: AFMC BAPs are annual documents prepared by the HQ AFMC Mission Area COOs with data and assistance provided by Center Mission Area COOs. The AFMC BAPs are organized into eight sections as follows:

- Section A: Mission Area Overview (Mission, goals, objectives, link to Strat Plan).
- Section B: Mission Area Cost Saving Initiatives.
- Section C: Financial Requirements – General Funds Only.
- Section D: Financial Requirements – Working Capital Funds Only.
- Section E: QER/QBAR Reporting Formats.
- Section F: Business Performance Indicator (BPI) Data Sources and Algorithms.
- Section G: Reporting Requirements from Center COOs to AFMC COOs.
- Section H: Center Execution Strategies.

3.2.3.1. Section A: Mission Area Overview. This section allows the COO to reiterate the "Big Picture" plan for the Mission Area and relate how the BAP fits into it. It should address goals and objectives and how the BAP is tied to the Strategic Plan, and the Annual Report to be produced at the end of the fiscal year. It should, as a minimum, include:

- Brief introduction identifying the primary mission of the Mission Area.
- Discussion of the Mission Area's customers and products and services include a product description for each product or service produced, the associated Standard and Minimum levels of performance, and the output measure that each Center is responsible for tracking.
- COO assessment of what the Mission Area intends to accomplish that year.
- Diagram reflecting the Mission Area's current Work Breakdown Structure (WBS) to the product/service (output) level.

3.2.3.2. Section B: Mission Area Cost Saving Initiatives. This section should contain a summary of the command-wide and/or installation initiatives being taken by the Mission Area to reduce costs during the BAP year. This could include, but is not limited to, A-76 competitions, internal process reengineering, termination of services, or divestiture. It should include expected start and completion dates, and forecasted effects on unit cost, total cost (if quantified), and nonfinancial performance measures.

3.2.3.3. Section C: Financial Requirements - General Funds. Financial data should be reported in the formats specified by AFMC/FM. Formats are posted at: <https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/FM/fma/fmab/Documents/BusinessPlanGuidance>.

3.2.3.4. Section D: Financial Requirements – Working Capital Funds. Is not applicable to the PSMA.

3.2.3.5. Section E: Quarterly Reporting Formats. There are required chart formats each Center CEO will brief to the AFMC CEO during the Quarterly Execution Review and each HQ AFMC COO will brief during the Quarterly Business Area Roll-Up. The format required for these charts can be found at the following web site: <https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/FM/fma/fmab>. Please use the formats just as they are provided and do not change the colors on them as the current colors allow the bars to be easily distinguished when printed

in black and white. Any changes to these chart formats, either QER or QBAR, require the approval of the command CEO and must be coordinated through HQ AFMC/FM as the OPR for this guidance. Currently, the only approved change is the IM Mis Area inclusion of two sections of reporting that captures funding levels 1, 2 and 3. Completed charts will be provided to HQ AFMC/FM prior to each QER and to the HQ AFMC Commander's Action Group prior to each QBAR. Specific due dates and e-mail addresses will be posted at the web site above.

3.2.3.6. Section F: Business Performance Indicator (BPI) Data Sources and Algorithms. This section of the BAP will contain the techniques, formulae and data sources used to construct or compute BPIs (financial and nonfinancial performance measures) applicable to each output or task. These should be tied directly to the outputs of the Mission Area as shown in the WBS.

3.2.3.7. Section G: Mission Area COO Unique Reporting Requirements. HQ COOs may require additional/unique reporting from the Center COOs that is for internal Mission Area analysis and is not briefed to the AFMC CEO. Identification and definition of additional reporting requirements, as well as the frequency and formats of the reporting will be included here.

3.2.3.8. Section H: Center Execution Strategies (CES). Center Execution Strategies document the Center CEO's approach to implementing the AFMC BAPs. This section should contain the following:

- Center Overview. A summary of problems and achievements in meeting all customers' requirements, given the BAP FY funds distribution, should be addressed here. Deviation from the AFMC BAP due to reallocations of resources must be fully documented as well.
- Center Execution Strategies Templates. The templates for this section are located at <https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/FM/fma/fmab>. The template in Part 1 of Annex 4 should be completed for each individual product or service within the Mission Area (the lowest level of the WBS). This information will be used to build the summary templates described in Parts 2 and 3 of Annex 4. Detailed instructions follow each template. Please refer to the definitions of financial terms at Annex 5 before completing these templates.
- Cost Saving Initiatives. This section identifies any initiatives being taken by a Mission Area at the center to reduce costs during the execution year. This includes plans to establish cost baselines, use any activity-based costing (ABC) techniques, reengineer internal processes, implement or study A-76 competitions, and terminate the production of some product or service. Expected start and completion dates, forecast effects upon unit cost, total cost (if quantified), and nonfinancial performance measures should be discussed.
- Center Quarterly Execution Review Format See section E above.
- Internal Performance Measurement. If, for internal purposes, a Center CEO or Center COO uses BPIs in addition to those required by a HQ COO, document them in this section.
- Changes to the CES. The CES represents a "contract" between the Center CEO and the AFMC CEO and therefore changes must be extremely limited. Under the AFMC phi-

losophy the Strategic Plan drives the POM, which is reflected in the BAPs, from which are derived the Center Execution Strategies. It is, therefore, very important to keep the baseline within and between these documents as stable as possible. Corrections, changes, or re-baselining, can render comparative and trend analysis useless so it must be possible to be track them and explain them to the AFMC CEO.

3.2.4. Once the BAP is published on 30 September in its final form, it should not be changed during the year of execution. Any adjustments to funding, minimum/standard levels of service, BPIs, etc. the HQ COOs feel need to be addressed will be handled on a case by case basis with the command CEO.

3.3. Program Objective Memorandum/Adjusted Program Objective Memorandum (POM/APOM) Process. The POM/APOM is a recurring process; however, the scope, structure, and time frames of individual POM/APOM exercises vary widely. Given the flexibility of POM/APOM timeframes, scope, and focus, it is not possible to clearly identify exact points in time for PSMA action and input. However, we do need to be proactive in terms of knowing where our resources are, having an accurate list of our points of contact, and a general understanding of those areas that have critical funding shortfalls (disconnects) or new requirements (initiatives) and the impacts if sufficient funding is not provided. In addition, our PSMA Resource Database needs to be comprehensive and accurate so we can clearly assess the potential impacts of unexpected manpower or funding reductions levied by Congress, OSD, or Air Staff. If the AFMC statement of impacts is convincing enough, the reduction may be reconsidered.

3.3.1. POM/APOM Build (The “Big Picture”). The primary emphasis in formulating the AFMC POM is to ensure executability of programs for which AFMC is responsible. The first step is to conduct a bottoms-up review of each program in order to build current requirements. The second step is to identify and allocate current funding. The third step is to identify programs that are unexecutable because of content/resource disconnects. A program has a disconnect when it is unexecutable because of a mismatch between the baseline funding and its associated program content. The fourth step is to identify programs to be submitted as initiatives. An initiative is a proposal for additional funds which either adds to an ongoing program’s content or is a new start. The fifth step is to find the offsets to pay for the proposed disconnects and initiatives. An offset is a funds reduction in one program to provide funding for another program that has been assigned a higher priority.

3.3.2. In addition to its own infrastructure disconnects and initiatives, AFMC also provides to the Air Staff disconnects and initiatives for acquisition programs being executed for using MAJCOMs, when no single MAJCOM lead command or advocate exists. Examples include communications and information security (COMSEC or INFOSEC) programs, and engine component improvement program (CIP). AFMC may also need to provide the POM input for Air Force/DoD directed programs, such as Arms Control and the Defense Standardization Program. In either case, offsets to fund these types of disconnects and initiatives should not be required to come from AFMC infrastructure.

3.3.3. Typical POM/APOM Build (PSMA Process Details). Note: The process flow that follows applies to any typical basic build, disconnect, initiative, or offset round of the POM/APOM.

3.3.3.1. HQ AFMC/FM distributes the current list of PEC assignments by MA.

- 3.3.3.2. HQ AFMC/XP distributes OSD/Air Staff POM guidance and draft AFMC POM guidance to the mission area focal points for review and comment.
  - 3.3.3.3. PSMA resource focal point (HQ AFMC/DR) distributes draft POM guidance to the appropriate PSMA center COOs for review and comment.
  - 3.3.3.4. HQ AFMC/DR develops input to the AFMC POM guidance and provides to HQ AFMC/XP.
  - 3.3.3.5. HQ AFMC/XP issues AFMC POM guidance to field organizations, MAs, and HQ AFMC 2-letter functionals.
  - 3.3.3.6. HQ AFMC/DR ensures all appropriate PSMA center COOs get a copy of the AFMC POM guidance.
  - 3.3.3.7. Field and HQ AFMC organizations develop and forward POM inputs to HQ AFMC/XP.
  - 3.3.3.8. HQ AFMC/XP distributes PSMA POM inputs to HQ AFMC/DR for review and action.
  - 3.3.3.9. PSMA stakeholders revise and consolidate PSMA POM inputs as appropriate to clarify and solidify the total PSMA input. If requested, PSMA COOs meet to prioritize PSMA disconnects and/or initiatives.
  - 3.3.3.10. PSMA COOs review proposed consolidated PSMA POM input and provide analysis and impact information to HQ AFMC/DR.
  - 3.3.3.11. HQ AFMC/DR finalizes the consolidated PSMA POM input and forwards it to HQ AFMC/XP for the AFMC Resource Board (ARB) and/or AFMC Council meeting.
  - 3.3.3.12. HQ AFMC/XP consolidates all finalized mission area POM inputs into the format and panel structure required by the Air Staff.
  - 3.3.3.13. HQ AFMC/XP sets up and conducts the ARB meeting at which all mission area POM inputs are reviewed and finalized. HQ AFMC/DR clarifies and defends the PSMA POM input.
  - 3.3.3.14. HQ AFMC/XP presents the AFMC POM input to the AFMC Council for approval.
  - 3.3.3.15. HQ AFMC/XP presents the AFMC POM input to Air Staff panels.
  - 3.3.3.16. HQ AFMC/XP receives feedback provided by the HQ USAF panels, and any questions.
  - 3.3.3.17. HQ AFMC/XP forwards any applicable feedback and follow-on questions to HQ AFMC/DR.
  - 3.3.3.18. HQ AFMC/DR provides answers to HQ AFMC/XP for forwarding to Air Staff.
  - 3.3.3.19. HQ AFMC/DR provides feedback information to the PSMA COOs.
- 3.3.4. POM Baseline-Balancing Exercise. Occasionally, the Air Force baseline will be out of balance, and a special front-end reduction POM round will be required to achieve a balanced baseline. This POM round will likely entail the assignment of a negative financial target (bogey) assigned by the Air Staff to the Air Force MAJCOMs. The AFMC bogey may need to be broken

out by MA. If this approach is taken, HQ AFMC/DR will work with HQ AFMC/XP to agree upon the appropriate bogey for the PSMA.

3.4. Operations and Maintenance (O&M) Financial Plan (FINPLAN) Process. The O&M Financial Plan (FINPLAN) is AFMC's plan for executing Command O&M funds for the upcoming fiscal year. Two key points to remember throughout the following discussion: (1) the FINPLAN pertains only to O&M funds (Appropriation 3400), and (2) the FINPLAN is only for the upcoming budget execution year-it does not cover the "outyears" as the POM does. AFMC centers identify their O&M execution plan/strategy and unfunded requirements (UR) in their FINPLAN inputs to HQ AFMC. HQ AFMC then consolidates center inputs and presents an integrated AFMC O&M FINPLAN to SAF/FM. While much of the focus of the FINPLAN build is on URs/impact statements submitted by the centers, the FINPLAN must not be viewed as merely a UR drill. Also important are center decisions as to programs that will be funded with available O&M money. After the FINPLAN is finalized and submitted, a Budget Execution Reviews (BER) occurs during the execution year. The purpose of the BER is to compare actual execution with the FINPLAN and to match available O&M funds with highest priority unfunded requirements.

3.4.1. FINPLAN Build (The "Big Picture"). The AFMC O&M FINPLAN build is an annual budget drill. It begins early in the calendar year (usually January), when HQ AFMC/FM (with inputs from the MAs) develops and releases to the AFMC centers the FINPLAN Call/Guidance, along with a projected O&M funding distribution ("bogey"). The centers then develop their FINPLANS and supporting documentation during the February-March timeframe, and submit their inputs to HQ AFMC/FM in March. HQ AFMC/FM reviews and consolidates the center FINPLAN inputs into an AFMC FINPLAN during April and early May. After AFMC/CC approval, the consolidated AFMC FINPLAN is submitted to SAF/FM in mid-to-late May.

3.4.2. FINPLAN Build (PSMA Process Details). HQ AFMC/DR is the single PSMA FINPLAN "face" to HQ AFMC/FM. HQ AFMC/DR tracks the AFMC FINPLAN schedule of events and keeps the PSMA center COOs informed of upcoming events. Prior to the start of the FINPLAN build, DR works with FM to update and definitize the list of PSMA PECs that will be "in play" during the FINPLAN build and provides the updated PEC list to the centers.

3.4.2.1. HQ AFMC/DR works with HQ AFMC/FM in the December timeframe to develop coordinated guidance to the centers for the FINPLAN call. Emphasis is on clearly specifying ground rules, required formats, and timelines for center inputs.

3.4.2.2. The centers prepare their FINPLAN inputs for both funded and unfunded requirements. The centers prioritize their unfunded requirements.

3.4.2.3. HQ AFMC/FM receives FINPLAN inputs from centers and provides to MAs.

3.4.2.4. Using the list of PECs assigned to the PSMA, HQ AFMC/DR reviews each center FINPLAN, extracts both funded and unfunded requirements for which the PSMA is responsible, sorts by PEC/OPR, and distributes to appropriate members for technical review and for prioritization of URs. DR also provides the PEC/OPRs with a copy of the previous year's Exhibit F for each PEC (except for newly-assigned PECs, not previously included in the FINPLAN).

3.4.2.5. For all O&M PECs assigned to PSMA HQ AFMC/DR will:

- Review the FINPLAN package to determine if they are in fact the correct HQ AFMC OPR for each of the PECs included in the package. Notify HQ AFMC/DR immediately if they believe any PEC is improperly assigned. HQ AFMC/DR will then determine the proper OPR for the PEC obtain the necessary coordination to realign the PEC to the proper mission area. HQ AFMC/FM will then update the master PEC list.
- Review all URs. Determine the validity of the center's UR, the dollar amount, the relative priority, and impact if not funded.
- Prioritize URs. Merge center priorities into a single, three-letter prioritized list. Unless a compelling reason exists, the center's prioritization of URs should be preserved to the maximum extent possible.
- Review and document the corresponding funded amount of the PEC requirement (all funded requirements should be of higher priority than any unfunded requirements). When documentation is not clear, confirm with center focal points what the requirement really is, impact if not funded, and what portion of an overall unfunded requirement is critical to the survival of the program.
- Complete, in the HQ AFMC/FM prescribed format, an Exhibit F for each assigned PEC with FINPLAN year or prior year O&M funding. Information required in the Exhibit F normally includes: a description of operations supported by the PEC, a summary of funding, and a narrative summary of the impact caused by any funding delta and/or unfunded requirement.

3.4.2.6. After HQ AFMC/DR members have reviewed their portions of the FINPLAN inputs and prioritized unfunded requirements, HQ AFMC/DR will host and facilitate a meeting of the DR team to integrate top priority URs into a single prioritized PSMA UR list. In developing this PSMA list, the DR team needs to:

- Roll up, by PEC and Element of Expense Code (EEIC), unfunded requirements within a center (e.g., all COMSEC URs at SA-ALC) and between centers (e.g., all tech orders, regardless of center). Only highest priority individual inputs should be rolled up into a top PSMA priority.
- Look at the relative importance among the rolled-up URs (rack and stack). Consider relative importance of the program to the user, how badly it's broken, and how high the center prioritized it.
- Provide a "sanity check." Does the center input make sense (e.g., what they want, dollars required, relative priority, etc.)? Were any "Washington monuments" submitted as URs (i.e., the UR seems significantly more important than what the center has funded)? If in doubt, talk to the single manager, the Program Element Monitor (PEM), and the using command.

3.4.2.7. The HQ AFMC Resource Board (ARB) will then merge the mission area prioritized UR lists into a single AFMC prioritized list. DR will defend the PSMA UR prioritization relative to other mission area URs at all phases of the approval process such as RA-IPT, ARB, and Executive Team Meeting.

3.4.2.8. After the final, prioritized AFMC UR list has been approved, the PEC/OPRs with prioritized URs will provide HQ AFMC/DR required impact narratives in the format prescribed by HQ AFMC/FM. HQ AFMC/DR then consolidates final input to HQ AFMC/FM.

3.4.2.9. HQ AFMC/FM consolidates the AFMC O&M FINPLAN submission, including all Exhibit Fs and the AFMC UR list(s), into the format required by SAF/FM.

3.4.2.10. HQ AFMC/FM presents the AFMC FINPLAN to the AFMC Executive Team, chaired by AFMC/CC, for approval.

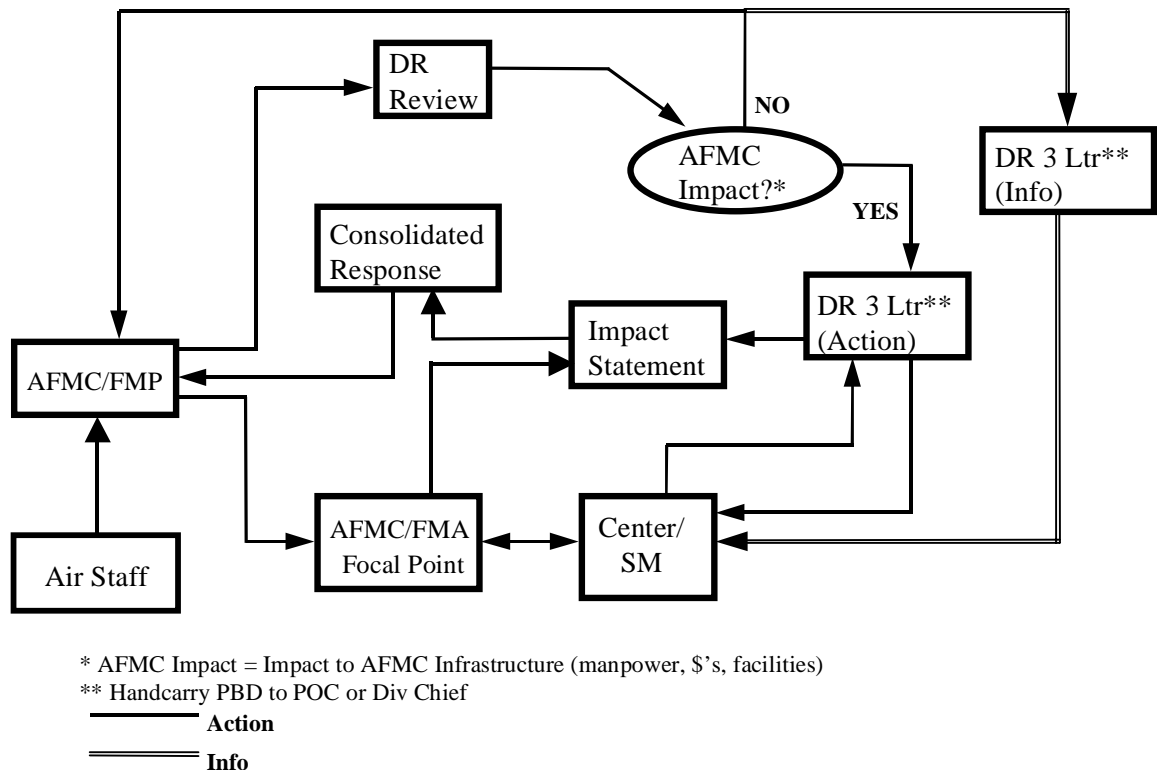
3.4.2.11. HQ AFMC/FM forwards the approved AFMC FINPLAN to SAF/FM and provides information copies to the MAs.

3.4.3. Budget Execution Review (BER). Soon after the beginning of the FINPLAN execution year, HQ AFMC/FM issues a BER call to the field (November/December), with inputs due in January/February. The BER results in a submission of URs for consolidation and submission to Air Staff. During the BER, the Center and MAs revisit their URs submitted in the FINPLAN to determine whether prioritizations or UR dollar amounts have changed since the FINPLAN was submitted. In addition, HQ AFMC/FM and the MAs also take a hard look at what portion of a total unfunded requirement represents a “critical” UR. For BER purposes, a “critical” UR is defined as the dollar amount needed to: 1) comply with public law, 2) ensure payroll is met, or 3) meet the minimum level of performance of a program.

3.5. PSMA Program Budget Decision (PBD) Process. The PBD process, like the POM, is a recurring process. It occurs annually from October through December after submission of the Budget Estimate Submission (BES) to OSD. During the PBD process, OSD Comptroller and Office of Management and Budget (OMB) analysts conduct hearings on the BES and issue PBDs which adjust the Service budgets and, therefore, the MAJCOM budgets. Air Force MAJCOMs are not normally tasked to provide inputs to SAF’s PBD process. However, HQ AFMC is determined to influence Air Force and OSD decisions. To do this the AFMC MAs and their functional experts must determine the impact of PBDs on AFMC infrastructure and engage with their Air Staff counterparts to provide impacts and influence the PBD outcome in the interest of AFMC and the Air Force. During the PBD process, certain PBDs are raised as either Air Force or HQ AFMC major budget issues (MBI) which may require engagement at the three or four star level.



Figure 5. Program Budget Decision (PD).



3.5.1. PBD (The “Big Picture”). AFMC’s role in the process is to support SAF and the Air Staff in assessing the impacts of PBDs and to identify major budget issues (MBI) which have a severe impact on AFMC and require high-level attention to resolve. This support role requires AFMC to develop a corporate position on all PBDs affecting AFMC and, for Program Executive Officer/ Designated Acquisition Commander (PEO/DAC) program-related PBDs, to ensure that the AFMC program office is working directly with the operational customer and the Program Element Monitor (PEM) at the Pentagon to define and document customer impacts.

3.5.1.1. The main PSMA emphasis in the PBD process is on draft PBDs, since AFMC can still effect changes in the way the PBD is written. Signed PBDs primarily tell us what OSD ultimately decided.

3.5.1.2. Each PBD is a distinct and discrete entity. HQ AFMC/FM usually expects to see between 100 and 150 draft PBDs for AFMC review during a typical PBD cycle. The overall PBD cycle usually lasts about 3 months (October-December).

3.5.1.3. From AFMC’s vantage point, the PBD process is characterized by an extremely narrow “window of opportunity.” A normal timeframe for a mission area to receive a draft PBD, evaluate it, and provide a position to Air Staff is about 24 hours. The timeframe is almost never longer than 48 hours, and can be as short as 4 hours.

3.5.1.4. OSD controls the PBD process and determines when draft PBDs are issued. OSD sets the milestones for deliberation and decision-making, and they decide when signed PBDs will be issued. AFMC failure to respond in time to meet an Air Staff deadline on a PBD means AFMC's voice will not be heard in their decision-making process on that PBD.

3.5.2. PBD (PSMA Process Details). HQ AFMC/FM receives all PBDs from the HQ AFMC focal point at the Air Staff (normally someone from HQ AFMC/FM collocated in the Pentagon for the duration of the PBD cycle), determines the appropriate mission area OPR and OCRs, and provides a copy of the PBD to the mission area focal point. For the PSMA, HQ AFMC/DR is the mission area focal point. Figure 4 illustrates the process flow, which is outlined in the following paragraphs.

3.5.2.1. HQ AFMC/DR receives and screens PBDs when the PSMA is OPR or OCR. DR makes an initial determination whether the PBD has a direct impact on AFMC infrastructure or only an indirect (i.e., programmatic) impact. Many PBDs the PSMA reviews are associated with PEO/DAC programs. Normally PBD-proposed program restructures have little direct impact on AFMC infrastructure, but may have major impacts on the operational customer's warfighting capability (e.g., a PBD that proposes to stretch out the production of a fighter aircraft by two years). Since the program funds "belong" to the operational user, the only direct impact on AFMC will be our ability to provide support to the program office. For example, there could be an AFMC impact if the production stretch out would interfere with the center's plans to transfer the fighter aircraft's manpower authorizations to another program once production was complete. On the other hand, the impacts to the operational customer may be direct and severe. For example, the production stretch out might greatly increase aircraft unit costs. Or, the customer may have insufficient aircraft to meet flying programs or combat plans.

3.5.2.2. After initially screening the PBD, HQ AFMC/DR provides a copy of the PBD and the preliminary HQ AFMC/DR analysis to the pertinent PSMA three-letter organization(s).

3.5.2.3. The three-letter organization provides a real-time assessment of impacts and makes necessary phone calls to AFMC center/program office points of contact and to their PEM/Air staff points of contact. Primary objectives are to:

- Determine AFMC impact of the PMD and if it constitutes a potential Major Budget Issue (MBI).
- Alert their Air Staff point(s) of contact prior to the Pentagon Budget Review Group (BRG) meeting and make sure these points of contact have the information they need. This includes making sure PEMs for PEO/DAC programs are getting the information they need regarding operational customer funds/concerns prior to the BRG meeting at the Pentagon.

3.5.2.4. The three-letter documents actions taken (telecons, faxes, etc.) on the AFMC PBD Impact Statement form and provides a copy of the impact form to DR.

3.5.2.5. HQ AFMC/DR consolidates all three-letter AFMC PBD Impact Statement form inputs. If OCR for the PBD, HQ AFMC/DR provides the consolidated AFMC PBD Impact Statement form to the PBD OPR.

3.5.2.6. If OPR for the PBD, HQ AFMC/DR also consolidates all OCR inputs from other MAs and the HQ AFMC/FMA mission area representative. HQ AFMC/DR provides the final, consolidated PBD Impact Statement form to HQ AFMC/FMP and closes the feedback loop by providing copies to involved three-letters and OCRs.

3.5.2.7. If a draft PBD has been identified as a potential MBI, additional documentation will be needed defining what content of the PBD makes it an MBI, and what would need to be changed to alleviate the concerns. (NOTE: MBI concerns can be addressed both before and after the PBD is signed.)

3.5.2.8. HQ AFMC/FM watches for a reclama, the signed PBD, and any other associated Pentagon activities and provides this information to HQ AFMC/DR.

3.5.2.9. HQ AFMC/DR provides a copy of the reclama (if any) and the signed PBD to the involved PSMA 3-letter(s).

**4. Workforce Management.** The goal of workforce management is to establish templates for training and experience for the PSMA workforce to use in determining individual development plan goals. These templates and goals will be measured to establish realistic resources necessary to train and develop the workforce. The resources will be converted to dollars to budget and POM to meet the goals. Additionally, rotational programs will be established to cross-fertilize knowledge within corporate organizations.

4.1. Human Resources Steering Group. The mission of the PSMA Human Resources Steering Group (HRSG) is to improve the effectiveness and efficiency of PSMA Human Resource efforts, and integrate these efforts into the full spectrum of AFMC PSMA activities. HQ AFMC/DR chairs the HRSG with senior membership (O-6/GM-15) from the AFMC centers.

4.1.1. Roles and Responsibilities. The HRSG will help establish and maintain effective Human Resources planning. It focuses PSMA efforts in assuring effective and efficient career development and workforce shaping. Additionally, the group addresses workforce issues associated with future PSMA commitments. The HRSG will integrate Human Resource planning activities into the PSMA. The HRSG is a standing group chartered by the PSEB and reports to it on a semiannual basis. The group will establish procedures and processes for the following AFMC activities:

4.1.1.1. Plan, implement, evaluate and improve PSMA Human Resources planning.

4.1.1.2. Incorporate these efforts into the PSMA Strategic Plan.

4.1.1.3. Facilitate the integration of these efforts into their respective centers.

4.1.1.4. Periodically update senior leaders in AFMC concerning these efforts.

4.1.1.5. Coordinate studies being worked by HRSG organizations to maximize benefits to the customer and minimize duplication.

4.1.1.6. Support the development of objectives for the "Workforce" goals in the AFMC and PSMA Strategic Plans.

4.1.1.7. Support the development of Business Performance Indicators for Human Resource planning products and services.

4.2. PSMA Manpower Management Process. HQ AFMC/DR is responsible for managing manpower resources in the program elements assigned to the PSMA. In FY 1999, PSMA was responsible for

22,748 authorizations--4,059 officer, 3,089 enlisted, and 15,600 civilian authorizations in 507 program element codes (PEC). This number decreases to 19,152 in FY 2006. In addition, in FY 1999, PSMA had 8,749 Advisory and Assistance Services (A&AS) contractors and 2,427 Federally Funded Research and Development Center (FFRDC) contractors.

4.2.1. PSMA Organic Manpower Management. AFMC organic manpower is managed in accordance with Air Force Policy Directive (AFPD) 38-2, *Manpower*; Air Force Instruction (AFI) 38-201, *Determining Manpower Requirements*; AFI 38-202, *Air Force Management Headquarters and Headquarters Support Activities*; and AFI 38-204, *Programming USAF Manpower*. Civilian manpower resources are managed to congressionally imposed end strength and work year limitations; military manpower resources are managed to grade distribution limitations based on budgeted officer and enlisted end strengths. Managing PSMA organic manpower is a cooperative effort involving all AFMC centers, HQ AFMC/FM, and HQ AFMC/XP. Primary activities include: analyzing resources allocated to the mission area in support of approved missions and levels of service; coding resources for the commercial activities inventory (OMB Circular A-76) under the Defense Reform Initiative Directive (DRID)-20 and monitoring competitive sourcing and privatizing initiatives; participating in manpower studies; approving center requests for manpower changes; assessing the appropriateness of manpower realignments between PECs within the PSMA and between mission areas; working base realignment and closure issues; providing cost estimates of PSMA manpower; resolving manpower funding issues between mission areas; supporting the development of the POM; validating both organic and contractor manpower information for periodic SAF/AQX and Congressional inquiries; and working command/mission area organizational issues.

4.2.2. Contracted Manpower Management. Within the PSMA, contracted manpower may be either categorized as Advisory and Assistance Services (A&AS) or Federally Funded Research and Development Center (FFRDC) resources.

4.2.2.1. Advisory and Assistance Services. Based on information in OMB Circular A-11, *Preparation and Submission of Budget Estimates*, object class 25.1, *Advisory and Assistance Services*, may be briefly defined as:

*...services acquired by contract from non-governmental sources to support or improve organization policy development, decision making, management, and administration; support program and/or project management and administration; provide management and support services for research and development (R&D) activities; provide engineering and technical support services; or improve the effectiveness of management processes or procedures. Such services may take the form of information, advice, opinions, alternatives, analyses, evaluations, recommendations, training, and technical support. This object class consists of the following three categories: management and professional support services; studies, analyses and evaluations; and engineering and technical services (excluding routine engineering services, as described above).*

4.2.2.2. FFRDC. Based on information in the Federal Acquisition Regulation, Part 35, FFRDC contract support may be defined as follows:

*Services procured from a non-profit entity that are characterized by the following: sponsorship under a broad charter by a Government agency (or agencies) for the purpose of performing, analyzing, integrating, supporting, and/or managing basic or applied research and/or*

*development; a long-term, special relationship with the sponsoring agency whereby the FFRDC has access to Government and supplier data, sensitive or proprietary data, employees, and facilities beyond that which is common in a normal contractual relationship and that encourages the FFRDC to maintain currency in its field, maintain its objectivity and independence, preserve its familiarity with the need of the sponsoring agency, and provide a quick response capability; and prohibition against competing against any non-FFRDC entity.*

4.2.2.3. PSMA Process. Managing contractor manpower is a cooperative effort involving all AFMC centers, HQ AFMC/EN, HQ AFMC/FM, HQ AFMC/XP and SAF/AQX. Primary activities include: establishing and maintaining focal points at centers; providing advice, assistance, and periodic training to the field; assisting the centers in determining whether specific contractor activities fit the definition under OMB Circular A-11, object class 25.1; clarifying policy and guidance; determining and tracking ceilings; transferring ceiling authority between centers; collecting and providing cost, contract information, and contract man-year equivalent (CME) forecasts and usage information to SAF/AQX and Congress during the President's Budget Exhibit 15 Report; responding to queries on availability of organic resources; and reviewing Determination/Decision Documents (DDD) and approving those above the \$50M threshold.

#### 4.3. Workforce Shaping.

4.3.1. Acquisition Demonstration. As part of the FY 96 DoD Authorization Act, the DoD was given the authority, with approval of the Office of Personnel Management, to conduct a personnel demonstration project (Demo) for the acquisition workforce. The authority is a critical piece of the larger Acquisition Reform effort. The objective of this Demo is to further enhance the quality, professionalism, and management of the DoD acquisition workforce through improvements in the efficiency and effectiveness of the Human Resources management system. To obtain additional information, please access the web site at: [https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/DR/wf\\_demo/index.htm](https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/DR/wf_demo/index.htm).

4.3.2. PSMA Human Resources Plan. This plan constitutes the PSMA's portion of the AFMC Work Force Shaping Plan for 2005. The plan provides a key tool to support the POM process by defining the collective end-state requirements for the PSMA workforce and prescribing affirmative steps to achieve end-state. The framework of the plan consists of the PSMA competencies, the "above-the-line" planning assumptions validated by the AFMC Board of Directors, and the "below-the-line" planning assumptions validated by the PSEB. The plan relies on inputs from the Centers regarding their most probable end-states, issues affecting workforce shaping, and associated action plans to address them. It is intended to be a living document and will be adjusted periodically as requirements change. To obtain additional information, please access the web site at <https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/DP/2005/final.htm>.

#### 4.4. Workforce Development.

4.4.1. Career Development Templates. These templates are intended to describe the education, training, experience, and performance characteristics needed to meet the current and future needs of the PSMA workforce. They are not intended to be entry-level standards, but rather, to describe what an individual should be pursuing in a given rank/grade to enhance their future career progression. They represent a high standard. These templates will be used in a number of ways: (a) to use as guidance in developing and assessing the product support workforce, (b) to provide a clear

focus and a simple reference to counsel employees, (c) to develop individual development plans, and (d) to incorporate tenets of other programs, such as Defense Leadership and Management Program (DLAMP), etc. For additional information on the career development templates for Acquisition Logistics and Program Management, please access the web at <https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/DR/drw/career.htm>.

4.4.2. Acquisition Professional Development Program (APDP). The APDP began as a result of the Defense Acquisition Workforce Improvement Act (DAWIA) in November 1990. DAWIA was initiated by Congress to improve the management and professionalism of the acquisition workforce by establishing certification levels consisting of specific training and experience requirements in several different acquisition areas. Every individual assigned to an acquisition position must meet the certification requirements for that position. These requirements cover experience, education, and training. To apply for certification, contact your unit training monitor, or your APDP Functional Manager for your area of interest. Level I and II certification authority has been delegated to all field organizations. Level III certification will continue to be approved at HQ AFMC/DR. Additional APDP certification information for Program Management and Acquisition Logistics can be found on the web at <https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/DR/drw/guidance.htm>.

## 5. Management Reviews.

5.1. AFMC/CC Quarterly Execution Review (QER). The QER is the official forum for reporting the health of AFMC mission areas. After each fiscal quarter, the Centers and HQ AFMC COOs brief the AFMC Commander on actual performance compared to the planned performance outlined in the AFMC BAP for the current year. The centers brief their status by mission area at the QER and each HQ AFMC COO briefs the status of their overall mission area at a Quarterly Business Area Review (QBAR). Each mission area has developed performance indicators that have been standardized across the mission areas to the greatest extent possible. BPIs focus on two areas: the financial aspects of the mission area and the quality of the mission area's products and services.

5.1.1. BPIs. BPIs are used to satisfy two requirements: internal management of the PSMA by HQ AFMC/DR, and external reporting to Center CC, AFMC/CC, other MAJCOMs, and in some cases the Air Staff. Internal BPIs tend to be a large set used for evaluating and managing the PSMA. They get reported no higher than the PSEB. External BPIs are a subset of the internal BPIs and are used for reporting the health of the mission area to AFMC/CC during the QER. For more information on the PSMA BPIs the reader is referred to the PSMA Business Plan at <https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/DR/PSBA/afmconly/busplan.htm>.

5.2. MAJCOM Day. The MAJCOM day process was established to provide a forum for dialogue between AFMC and the operational MAJCOMs, and to ensure AFMC resources are applied to the timely resolution of our customer's highest priority issues. Meetings are held with each participating MAJCOM annually except for AMC, which occurs every nine months, and ANG/AFRC, which are held biennially. The MAJCOM day philosophy is to bring current issues requiring MAJCOM command-level involvement/decision to the table for action. Agendas are structured to contain only decision briefings. Status briefings are not normally given unless the customer specifically requests them. Single manager interaction with the customer and participation in all aspects of MAJCOM day preparation is critical to the success of the process.

5.3. Combined Review. A Combined Review is conducted jointly by the Air Force Acquisition Executive (AFAE) and AFMC/CC to assess the overall health of weapon systems and common systems/items that comprise the weapon system domain for each Air Force product line (Aeronautical, Air Armament, C2, and Space & Missile). A review is conducted roughly once per quarter. This results in an annual assessment of each domain, in general. During a review, the Product Field Support metrics maintained within PSMA (readiness, reliability, maintainability, safety, and cost of ownership) are applied to fielded weapon systems and common systems/items as the basis for assessing the health of these systems and of the aggregate domain. Generally, each weapon system domain correlates to an AFMC product center and is therefore assessed by the corresponding product center commander once annually via the Combined Review process. An air logistics center commander, on the other hand, sustains weapon systems across two or more domains and therefore provides domain and industrial support assessments on a quarterly basis at each Combined Review. For more information on Combined Reviews, please go to [https://www.afmc-dr.wpafb.af.mil/Cmbd\\_Reviews/comb\\_rvw.asp](https://www.afmc-dr.wpafb.af.mil/Cmbd_Reviews/comb_rvw.asp).

## **6. Acquisition Reform.**

6.1. Overview. Acquisition Reform is an ongoing series of initiatives sponsored by OSD to streamline and tailor the acquisition process. Initiatives include statutory and regulatory reform, such as: Cost As an Independent Variable (CAIV), reform of specifications and standards policy, preference for commercial items, electronic data interchange and the use of the IPPD/IPT management philosophy for systems development and oversight. The OSD lead for Acquisition Reform is the Office of the Deputy Under Secretary of Defense for Acquisition Reform. Its mission is:

6.1.1. Adapting the best practices of world class customers and suppliers.

6.1.2. Continuously improving the acquisition process to ensure it remains flexible, agile, and to the maximum extent possible, based on best practices.

6.1.3. Providing incentives for acquisition personnel to innovate and manage risk rather than avoid it.

6.1.4. Taking maximum advantage of emerging technologies that enable business process reengineering and enterprise integration.

6.2. The Air Force lead for Acquisition Reform is SAF/AQ. The main thrust of the current SAF/AQ effort is the second set of Lightning Bolts, termed Lightning Bolts '99. These initiatives are "designed for rapid and long-lasting improvements to our current acquisition and sustainment culture, as well as for strengthening our partnerships with industry." One Lightning Bolt that directly impacts the Product Support Mission Area is LB 99-3, "Market Analysis and Pricing Centers of Expertise."

6.3. Market Analysis and Pricing Centers of Expertise. This initiative creates multifunctional Centers of Expertise (COE) at each Product and Logistics Center to gather, organize, analyze and maintain information on market products, practices, technologies, standards and companies. The Lightning Bolt supports the definition of requirements, assessment of risk, development of acquisition strategies, execution of price base acquisition, conduct of source selections, and risk management. The goals of this Lightning Bolt are:

6.3.1. Expand the use of commercial item solutions and the adoption of commercial practices in support of warfighter needs.

6.3.2. Support the use and conduct of price-based acquisition strategies including the development and deployment of training and tools.

6.3.3. Integrate the technical, contracting, and program management functions in the conduct of market research.

6.4. Each Product and Logistics Center will create a centralized COE in accordance with an overarching management framework developed by the HQ AFMC Lightning Bolt Team, to exploit their existing areas of expertise. The COE will be responsible for gathering organizing, analyzing, and maintaining information on market products, practices, technologies and standards for their particular identified area of expertise. The Market Analysis and Pricing COE will be populated with a multi-functional team that will integrate its activities with the Acquisition Support Team (AST) office located at each of the Centers. The COE will aid in the definition of requirements, development of acquisition strategies, the execution of price-based acquisitions and the conduct of source selections. The initial concept utilizes a web-based architecture that facilitates the sharing of information between centers as appropriate.

6.5. Lightning Bolt 99-3 is important to the Air Force since FAR Part 10 requires market research be conducted to determine if requirements can be met through commercial item acquisition. By establishing Market Analysis and Pricing COEs, the Air Force can build upon the expertise that already exists across the various Product, Test, and Logistics Centers. This enhanced market research capability will enable the acquisition community to take advantage of the commercial marketplace and utilize "best acquisition practices" in the DoD acquisition process. The results will be reduced cost, improved quality, shorter cycle times, and ultimately, better weapon systems. This capability goes beyond merely commercial acquisition by providing a link among the various Centers and creating the advantage of a broad base of expertise. For more information on Market Analysis and Pricing Centers of Expertise the reader is referred to the Lightning Bolt 99-3 web page at <https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/DR/lb-993>.

6.6. Acquisition and Logistics Reform Week. An annual week set aside by the USD(A&T), usually in the spring, when the DoD acquisition workforce reviews the latest acquisition reform initiatives and policies in conjunction with presentations by senior OSD acquisition officials. The purpose of the stand-down is to ensure that the entire acquisition workforce is aware of new policy initiatives and has the necessary information to implement them.

6.7. For more information on acquisition reform initiatives, please visit the following web sites:

6.7.1. OSD Acquisition Reform at <http://www.acq.osd.mil/ar/ar.htm>.

6.7.2. Air Force Acquisition Reform at [http://www.safaq.hq.af.mil/acq\\_ref](http://www.safaq.hq.af.mil/acq_ref).

6.7.3. AFMC Guide to Acquisition Reform at <https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/DR/dri-home/acqref/homepage>.

**7. Knowledge Management (KM).** KM in its simplest form is the realization by corporate leadership that its greatest asset is the knowledge of the workforce and the importance of making that knowledge available throughout the organization. Knowledge is only valuable when it's in motion (i.e., being utilized or shared). KM attempts to provide three components to assist in the movement of knowledge among the workforce: 1) Utilization of current technology to simplify movement between and among a workforce that is geographically scattered; 2) the identification of knowledge, the recognition of how its utilized within the corporate environment, and the application of technology to make knowledge more



easily available; and 3) corporate leadership establishing a culture whereby personnel are recognized, motivated, and rewarded for sharing knowledge. Currently, the PSMA KM program has five major components. They include, DoD Deskbook, Systems Acquisition School Virtual Schoolhouse, Workforce Management, Air Force Knowledge Management infrastructure site, and the AFMC Help Center.

7.1. Defense Acquisition Deskbook. Deskbook is an automated electronic reference tool that provides the most current acquisition and sustainment information for all DoD services and agencies. It enables product, logistics, test center managers and action officers access, directly or via a powerful search engine, to mandatory and discretionary acquisition and sustainment information such as policy direction, manuals, sample formats, handbooks, guides and manuals, front-line wisdom and advice, lessons learned, descriptions of software tools, and commonly used forms. For additional information, training, and access to Deskbook, contact the AFMC Deskbook Support Office (DSO) via the Internet at <https://deskbook.afmc.wpafb.af.mil>.

7.2. Air Force Knowledge Management (AFKM). AFKM is an Internet-based directory and repository for Air Force knowledge that solicits and contains best practices, lessons learned, articles, papers, web links, and other nuggets of knowledge of interest to the Air Force. AFKM also applies commercial knowledge management concepts and technologies to address Air Force business problems. Its purpose is to leverage the vast intellectual capital of the Air Force to optimize performance by knowledge sharing. AFKM is the Air Force's only universal and overarching knowledge management site. The knowledge is grouped and indexed by subject (operations, logistics, support, standardization, command policy, etc.) and product line (Aeronautical, Air Armament, C2, and Space & Missile). AFKM also provides an education/training portal. Information can be accessed via a robust search engine. AFKM is found at the following web address: <https://afkm.wpafb.af.mil>.

7.3. SAS Virtual Schoolhouse. The SAS Virtual Schoolhouse is an Internet-based training system developed by the Systems Acquisition School (SAS) to provide the Air Force acquisition work force training opportunities. Within this Internet-based classroom environment, you may register for and complete a variety of Acquisition courses. Credit for successfully completing these courses will be recorded in your training history file and provide credit for continuous learning. For more information on the SAS Virtual Schoolhouse, please visit the continuous learning web site at [https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/DR/ps\\_train/conlearn.htm](https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/DR/ps_train/conlearn.htm).

7.4. AFMC Help Center. The AFMC Help Center is an Internet-based search tool that assists customers, both internal and external, in finding AFMC information and key personnel. This is accomplished by allowing the customer to enter a question or keywords and then searching key AFMC databases and all AFMC web sites to find "best bet" web answers and at least one point of contact. The AFMC Help Center also provides "direct links" to key AFMC databases/web sites that allow the customer to go directly to a desired information source. The AFMC Help Center is found at the following web address: <https://www.afmc-help>.

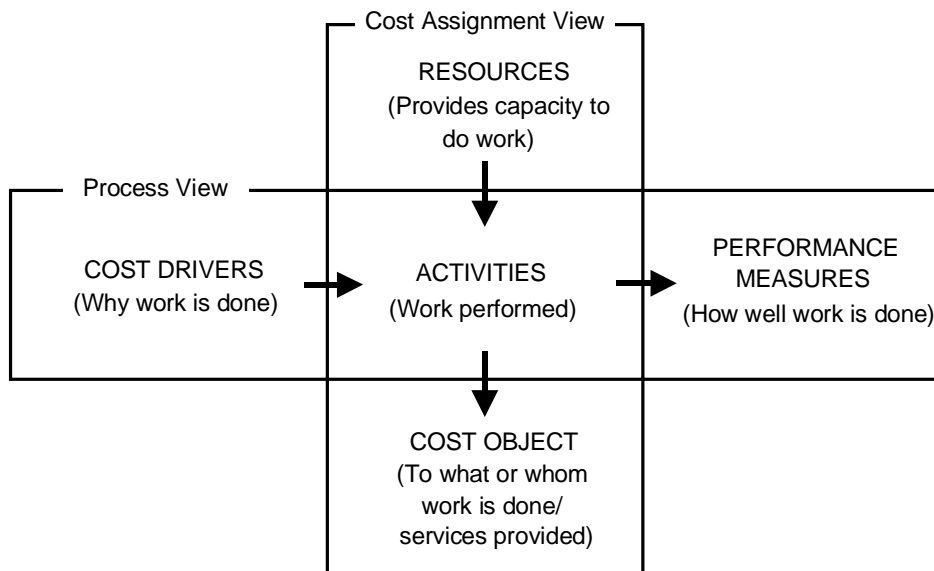
7.5. Additional Resources. There are many resources available to use in managing the Product Support Mission Area. Much of the information is available electronically on the Internet. Where appropriate, relevant web pages have been included throughout this document. Probably the best place to start looking for PSMA information is at the DR Homepage, <https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/DR>. Information can be obtained on specific DR functions, mission area activities and organizations.

## 8. Other Business Line Activities.

8.1. Activity Based Costing/Management (ABC/M). ABM is the use of the ABC costing tool by process owners to control and improve their operations. Because process analysis is conducted in the building of an activity-based cost model, management knows its business better and can consequently evaluate value added and nonvalue added activities. ABC is a costing methodology based on the fact that different activities and products consume different proportions of resources. It provides the framework for linking resources, activities, cost drivers, and cost objects (outputs). It assigns/tracks cost using a process-based model of the operation/organization.

8.1.1. Relationships between costs, activities, and products and services are shown graphically in Figure 5. The four major components of ABC are resources, activities, cost objects, and cost drivers. Resources are defined as any item where an organization incurs an expense. Activities are another name for processes and cost objects are the products delivered or services provided. There are two types of cost drivers, resource drivers and activity drivers. Resource drivers allocate resources to activities based on actual consumption. Activity drivers indicate consumption of activities by cost objects. Whatever is chosen as the cost driver, it should be clear that the drivers must be logical factors indicating consumption.

**Figure 6. Activity Based Costing (ABC) Model.**



8.1.2. The main steps involved in building an ABC model are to: define management objectives, model the processes (activities), allocate resource costs to the actual processes that consume those costs, allocate process costs to the actual products (cost objectives) delivered, collect data, and iterate and refine the model. The step of modeling the processes can be accomplished through the use of the Integrated Definition for Functional Modeling (IDEF-0) language. Its primary use as a computer-aided process mapping methodology makes it a powerful tool for continuous improvement, reengineering, and ABC. There are many Commercial-Off-the-Shelf software packages available to perform IDEF-0 and ABC model development and analysis. For more information on

ABC, please visit the web site at <https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/XP/XPM/xpms/abc/abc.htm>.

8.2. Single Managers Conference. The Single Managers Conference is a semiannual conference hosted by HQ AFMC/DR. It is designed specifically for single managers and provides a forum to present the latest lifecycle management initiatives and to facilitate the exchange of best practices. All Single Managers (SPD and PGM), Center Commanders and PEOs are polled for topics and invited to the conference. Once the topic list is generated, the Single Managers are asked to rank order their preferences to generate the final agenda. In addition to the Single Manager topics, HQ AFMC/DR tries to get command perspective briefings from AFMC/CC and/or SAF/AQ. During the fall conference only, the AFMC Product Management Awards are presented (Shriever, Dau, and Pollution Prevention).

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**Attachment 1****ACRONYMS**

A&AS	Advisory and Assistance Services
A-76	Office of Management and Budget (OMB) Circular A-76
ABC	Activity-Based Costing
ABM	Activity-Based Management
AFSAC	Air Force Security Assistance Center
APDP	Acquisition Professional Development Program
APOM	Adjusted Program Objective Memorandum
ARB	AFMC Resource Board
AST	Acquisition Support Team
BAP	Business Area Plan
BER	Budget Execution Review
BES	Budget Estimate Submission
BPI	Business Performance Indicator
BRG	Budget Review Group
CAIV	Cost As Independent Variable
CEO	Chief Executive Officer
CES	Center Execution Strategies
CIP	Component Improvement Program
CME	Contract Man-Year Equivalent
COE	Centers of Expertise
COMSEC	Communications Security
COO	Chief Operating Officer
DAC	Designated Acquisition Commanders
DAWIA	Defense Acquisition Workforce Improvement Act
DDD	Determination/Decision Documents
DLAMP	Defense Leadership and Management Program
DSMC	Defense Systems Management College
DSO	Deskbook Support Office
EEIC	Element of Expense Code
FAR	Federal Acquisition Regulation
FFRDC	Federally Funded Research and Development Center
FINPLAN	Financial Plan
FYDP	Future-Years Defense Plan
INFOSEC	Information Security

IPPD	Integrated Product and Process Development
IPT	Integrated Product Team
KM	Knowledge Management
MAJCOM	Major Command
MASP	Mission Area Strategic Plan
MBI	Major Budget Issue
MET	Mission Essential Task
METL	Mission Essential Task List
NPR	National Performance Review
O&M	Operations and Maintenance
OMB	Office of Management and Budget
PBD	Program Budget Decision
PEC	Program Element Code
PEM	Program Element Monitor
PEO	Program Executive Officers
PGM	Product Group Managers
POM	Program Objective Memorandum
PPBS	Planning, Programming and Budgeting System
PSMA	Product Support Mission Area
PSEB	Product Support Executive Board
PSFP	Product Support Focal Point
QBAR	Quarterly Business Area Roll-Up
QER	Quarterly Execution Review
R&D	Research and Development
SAS	Systems Acquisition School
SPD	System Program Director
UR	Unfunded Requirement
WBS	Work Breakdown Structure

**Attachment 2****DEFINITIONS**

**A2.1.** Air Force Acquisition Executive (AFAE). Assistant Secretary of the Air Force for Acquisition.

**A2.2.** Chief Executive Officer (CEO). AFMC/CC has executive oversight of the Product Support, Information Services, Science and Technology, Supply Management, Depot Maintenance, Installations and Support, Test and Evaluation, and Information Management mission areas and is accountable for overall performance. Center Commanders are the CEOs for the mission area activities at their centers and are responsible to the command CEO, AFMC/CC.

**A2.3.** Mission Area Chief Operating Officer (COO). The Mission Area COOs are appointed by AFMC/CC and are responsible for direction, implementation and reporting of their mission area activities. HQ AFMC/CE is the COO for the command Installations and Support Mission Area. HQ AFMC/DO is the COO for the command Test and Evaluation Mission Area. HQ AFMC/DR is the COO for the command Product Support Mission Area and Information Services Mission Area. HQ AFMC/LG is the COO for the command Depot Maintenance and Supply Management Mission Areas. HQ AFMC/SC is the COO for the command Information Management Mission Area. AFRL/CC is the COO for the command Science and Technology Mission Area.

**A2.4.** Center Chief Operating Officer (COO). Each center/CC will appoint a Center COO for each applicable mission area. The COO will be responsible for direction, implementation and reporting of the center mission area activities.

**A2.5.** Military System. A discrete, stand-alone system or collection of systems and related resources which, in conjunction with user support and operation, provide a capability to accomplish a specific military mission; e.g., B-52, F-22, or Global Positioning System.

**A2.6.** Product Group. A group consisting of several like products in all life cycle phases that are characterized by an ongoing development requirement as well as a much larger cumulative field support effort, e.g., electronic combat products, propulsion, avionics, etc.

**A2.7.** Product Group Manager (PGM). The individual responsible for decisions and resources in overall AFMC product group management. The PGM is the single person who is charged with all cost, schedule, and performance aspects of acquisition programs within a product group and related field support activities. Typically, the PGM's product is in direct support of one or more weapon or military system SPDs. PGMs may be responsible to the SPDs who are the single-face-to-the-customer. PGMs can also be Single Managers providing support directly to Air Force users and other customers reporting directly to the PEO, DAC, or center commanders.

**A2.8.** Product Line. An aggregate of weapon systems that share similar functional characteristics and mission requirements with each system developed, acquired, modernized, and/or sustained under the management of a single manager in a product or logistics center. There are four Air Force product lines: Aeronautical, Air Armament, Command and Control (C2), and Space and Missile.

**A2.9. Single Manager (SM).** SMs are responsible to their customers for all aspects of the system/product support life cycle. SMs serve as the single-face-to-the-user for their respective systems or products. SMs are responsible for program performance and overall health of the product. DoDD 5000.1, Defense Acquisition, requires that no more than two levels of review exist between the program manager and the Milestone Decision Authority, which in the case of major and selected non-major programs (ACAT IC and II) is the AFAE. Within the Air Force, the SM serves as the program manager for ACAT I and II programs. This places the SM, through the PEO or DAC, only two levels below the AFAE. SMs report directly to the PEO, DAC, or center commander (if fielded system). The SM interfaces with other SMs and ALC supply chain managers to meet customer requirements.

**A2.10. System Program Director (SPD).** The individual directing an Air Force System Program Office (SPO) who is ultimately responsible and accountable for decisions and most resources in overall program execution of a military system. The SPD is the single person, identified in a program management directive (PMD), who is charged with cost, schedule, performance (including field support) of a program. The SPD's primary customer is the user. The SPD reports directly to the PEO, DAC, or center commander (if fielded system) to which the program is assigned. The SPD interfaces with other SMs and ALC supply chain managers to meet customer requirements.

**A2.11. Weapon System Domain.** The superset of all weapon systems within a given product line plus all supporting common systems/common items (i.e., common avionics, landing gear, propulsion, etc). The domains correlate to the four product lines: Aeronautical, Air Armament, Command and Control (C2), and Space and Missile. Some common systems/common items exist in more than one weapon system domain.